

APRIL/MAY 2023

**DCM42 — INVESTMENT AND PORTFOLIO
MANAGEMENT**



Time : Three hours

Maximum : 75 marks

SECTION A — (10 × 2 = 20 marks)

Answer ALL questions.

1. Define 'Portfolio'.
2. What is a Mutual Fund?
3. State the meaning of Portfolio goal.
4. What is Portfolio Return?
5. What is a leveraged Portfolio?
6. State the meaning of diversification.
7. What is an efficient Portfolio?
8. What is an overpriced asset?
9. What is rupee cost averaging?
10. State the meaning of bench mark.

SECTION B — (5 × 5 = 25 marks)

Answer ALL questions.

11. (a) Explain the need for a Portfolio

Or

(b) Describe the different types of portfolio managers.

12. (a) Explain Systematic Risk and Unsystematic Risk.

Or

(b) Explain the difference ranging from a Security Market line and Market line.

13. (a) What is Beta? How is it calculated?

Or

(b) State the various constraints in portfolio construction.

14. (a) What is Security Market Line? How is it different from Capital Market Line?

Or

(b) Explain the Arbitrage Pricing Theory.

15. (a) Explain the problems in Portfolio revision

Or

(b) Explain how Sharpe's Index for portfolio evaluation is calculated

SECTION C — (3 × 10 = 30 marks)

Answer any THREE questions.

16. Discuss the functions of Portfolio Management.

17. Explain the strategies for portfolio construction.

18. Explain the Markowitz model of identifying an optimal portfolio.

19. Discuss the assumptions and implications of Capital Asset Pricing Model.

20. Explain the following formula plans: (a) Constant Rupee Value Plan (b) Constant Ratio Plan.
